



TRW Inc.

Executive Offices
1900 Richmond Road
Cleveland, OH 44124

Office of Counsel

April 23, 1993

APR 26 1993

RECEIVED - EPA
APR 26 1993
[Signature]

Mr. Phillip Ramsey
South Coast Groundwater Section (H-6-4)
U.S. EPA
75 Hawthorne Street
San Francisco, California 94105

Re: San Gabriel Superfund Sites
Area 1-4
Los Angeles County, CA

Property Located at 18301 E. Arenth Avenue
City of Industry, California 91748

Property Located at 200 Turnbull Canyon Road
City of Industry, California 91740

Dear Mr. Ramsey:

This letter is an effort to straighten out any confusion concerning the proper potentially responsible parties with regard to the above properties. This letter is motivated by the letter dated February 12, 1993 from David B. Jones of EPA styled as a general notice letter and information request and directed toward PRPs in the San Gabriel Valley and specifically Puente Valley PRPs.

Included as addressees on this letter were the following Puente Valley PRPs as contained in the Puente Valley Operable Unit mailing list dated February 12, 1993 and attached to the general notice letter dated February 12, 1993:

Frank Hintze
Benchmark Holding Group
c/o Jeffery J. Johnson
Heller, Ehrman, White & McAuliffe
555 South Flower Street, 25th Floor
Los Angeles, CA 90071-2306

For property located at: 200 Turnbull Canyon Road
City of Industry, CA 91746

General Notice sent October 12, 1990.

Mr. Phillip Ramsey
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Frank Hintze
Benchmark Technology
200 Turnbull Canyon Road
City of Industry, CA 91746
General Notice sent June 7, 1990

Charles Miller and Thalia Miller
18301 E. Arenth Avenue
City of Industry, CA 91748
For property located at: 18301 E. Arenth Avenue
City of Industry, CA 91748
General Notice sent February 12, 1993

Edsel Dunford
Monadnock Co.
c/o: TRW Inc.
One Space Park
Redondo Beach, CA 90278
For property located at: 18301 E. Arenth Avenue
City of Industry, CA
General Notice sent June 7, 1990.

Mr. J. T. Gorman, President
TRW Inc.
1900 Richmond Road
Cleveland, OH 44124
For property located at: 200 S. Turnbull Canyon Road
City of Industry, CA 91744
and 18301 E. Arenth Avenue
City of Industry, CA 91748
General Notice sent February 12, 1993

Mr. David F. Burr, President
Rollins Leasing Corp.
1 Rollins Plaza
Wilmington, DE 19803
For property located at: 18301 E. Arenth Avenue
City of Industry, CA 91748
General Notice sent February 12, 1993

As you can see from the above information, all of these PRPs relate to two parcels of property and I will discuss each of these parcels in turn.

18301 E. Arenth Avenue, City of Industry, CA

This property was owned by TRW from 1968 until 1980 when it was sold to the Monadnock Company ("Old Monadnock"), a corporation which was wholly-owned by Charles and Thalia Miller.

TRW and Charles and Thalia Miller have entered into a Settlement Agreement and Mutual Release and TRW has agreed to indemnify and defend Charles and Thalia Miller for certain claims, including claims made by the U.S. EPA, in connection with the Puente Valley Operable Unit relating to pre-existing environmental conditions at 18301 E. Arenth Avenue as defined in Sections 13 and 14 of the Settlement Agreement and Mutual Release. I am enclosing a copy of the letter whereby TRW agreed to indemnify and defend Charles M. Miller and Thalia C. Miller for this matter and a copy of the Settlement Agreement and Mutual Release.

In addition, a portion of this property (the undeveloped portion) was acquired by Rollins Leasing Corporation in February, 1992. The undeveloped parcel is a separate legal parcel and due diligence performed by Rollins Leasing Corporation disclosed no contamination on the undeveloped parcel requiring remediation. In addition, TRW has agreed to indemnify and defend Rollins Leasing Corporation with regard to claims from the U.S. EPA for pre-existing environmental conditions at 18301 E. Arenth Avenue, City of Industry with regard to the Puente Valley Operable Unit and a copy of that letter is attached. It is our information that Rollins has only engaged in construction activities since their purchase of this parcel.

In addition, as noted from the addresses recited above, EPA has notified Edsel Dunford, Monadnock Company, c/o TRW, One Space Park, Redondo Beach, CA and Mr. J. T. Gorman, TRW Inc., 1900 Richmond Road, Cleveland, OH for this property. It should be unnecessary to notify two individuals at two different addresses for this property.

It is clear that TRW is the proper PRP with regard to this property with regard to U.S EPA claims brought under CERCLA for the Puente Valley Operable Unit, if such liability does exist. We are, therefore, requesting that all letters with regard to this property be sent to my address:

Robert M. Walter, Esq.
TRW Inc.
1900 Richmond Road
Cleveland, OH 44124

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April 23, 1993

The correspondence should not be sent to Charles Miller, Thalia Miller, Rollins Leasing Corporation, or Edsel Dunford. If it is not possible to redirect these notices to my attention, they should be forwarded to Mr. J. T. Gorman, Chairman, TRW Inc., 1900 Richmond Road, Cleveland, OH 44124.

200 Turnbull Canyon Road, City of Industry, CA

The above property was owned by TRW from 1968 until December 30, 1983, at which time Benchmark Technology purchased the real property from TRW. The Benchmark Holding Group purchased the real property from Benchmark Technology on December 18, 1987. In an Indemnification Agreement and Release between TRW, Benchmark Technology and Benchmark Holding Group, TRW Inc. has agreed to indemnify Benchmark Holding Group and Benchmark Technology for certain Hazardous Waste Conditions at 200 Turnbull Canyon Road and this would include any PRP liability under CERCLA for the Puente Valley Operable Unit. A copy of this Agreement is enclosed for your information.

Again, it is clear TRW Inc. is the proper PRP with regard to U.S. EPA claims brought under CERCLA for the Puente Valley Operable Unit for this property, if such liability exists.

We request that any such notices be sent to TRW and not be sent to Frank Hintze for Benchmark Holding Group or Frank Hintze for Benchmark Technology.

We are requesting that all such notices be sent to my attention at the following address:

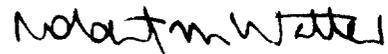
Robert M. Walter, Esq.
TRW Inc.
1900 Richmond Road
Cleveland, OH 44124

If this is not possible, please send all notices to Mr. J. T. Gorman, Chairman, TRW Inc., 1900 Richmond Road, Cleveland, OH 44124.

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April 23, 1993

We would be pleased to answer any further questions you may have on this matter. I hope that this matter can be clarified in the very near future.

Very truly yours,



Robert M. Walter
Senior Counsel - Environment
(216) 291-7477

/jk

cc: Mark Klaiman, Esq.
(w/enclosures)



TRW Inc.

Executive Offices
1300 Richmond Road
Cleveland, OH 44124

Office of Counsel

1851-04940

March 26, 1993

Katherine C. Sheehan, Esq.
Tuttle & Taylor
40th Floor
355 S. Grand Avenue
Los Angeles, California 90071-3101

VIA AIRBORNE

Re: San Gabriel Valley Superfund Sites

Dear K.C.:

This letter is in response to your letter dated March 5, 1993 requesting indemnification and tendering defense with regard to claims made or actions taken by the U.S. EPA in connection with the Puente Valley Operable Unit of the San Gabriel Valley Superfund Sites. Your request was made pursuant to the Settlement Agreement and Mutual Release dated as of January 11, 1990.

Pursuant to the Settlement Agreement and Mutual Release, TRW agrees to indemnify Charles M. Miller and Thalia C. Miller pursuant to Paragraphs 13, 14, 17 and 18 of the Settlement Agreement and Mutual Release. This indemnification covers claims made by the U.S. EPA in connection with the Puente Valley Operable Unit related to pre-existing environmental conditions at 18301 East Arenth Avenue as defined in Paragraphs 13 and 14 of the Settlement Agreement and Mutual Release.

In addition, TRW accepts the tender of defense requested by your March 5, 1993 letter pursuant to Paragraph 17 of the Settlement Agreement and Mutual Release.

Pursuant to the above, please forward all materials received concerning these claims to the undersigned as soon as received.

Very truly yours,

Robert M. Walter
Senior Counsel - Environment
(216) 291-7477

/jk

TRW Inc.

Executive Office
1000 Richmond Road
Cleveland, OH 44124

Office of Counsel

1851-04940

March 26, 1993

VIA AIRBORNE

J. Carlisle Peet, III, Esq.
Vice President - General Counsel
Rollins Leasing Corp.
One Rollins Plaza
P. O. Box 1791
Wilmington, Delaware 19899

Re: 18301 E. Arenth Avenue
City of Industry, California

Dear Mr. Peet:

This letter is in response to your demand for indemnification and tender of defense communicated by your letter dated March 23, 1993, which was first received by TRW on March 25, 1993.

Pursuant to the Settlement Agreement and Mutual Release dated January 11, 1990, and a subsequent Assignment Agreement, TRW is willing to indemnify Rollins Leasing Corp. with regard to claims from the U.S. EPA for property at 18301 E. Arenth Avenue, City of Industry with regard to the Puente Valley Operable Unit. TRW's indemnity obligations extend to claims made by the U.S. EPA relating to pre-existing environmental conditions as that term is defined in the Settlement Agreement and Mutual Release.

In addition, TRW is willing to accept the tender of defense demanded in your March 23, 1993 letter pursuant to the Settlement Agreement and Mutual Release.

In accordance with the above, please forward all materials to the undersigned as soon as received. Your letter indicated that Rollins Leasing Corp. intends to respond to claims in this matter and any response by Rollins Leasing Corp. is inconsistent with your demand for indemnification and tender of defense. TRW notes that the Settlement Agreement and Mutual Release requires notification with reasonable promptness and TRW's right to assume the entire control of the defense. In accordance with these provisions, we request that Rollins Leasing Corp. take no further action with regard to any such claims so that TRW may effectuate the entire defense of this matter.

J. Carlisle Peet, III, Esq.
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March 26, 1993

Please contact me if you have any further questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert M. Walter".

Robert M. Walter
Senior Counsel - Environment
(216) 291-7477

/jk

INDEMNIFICATION AGREEMENT AND RELEASE

This Indemnification Agreement and Release ("Agreement"), is made and entered into as of _____, 1990, by and among BENCHMARK TECHNOLOGY INC., a California corporation ("Benchmark"), BENCHMARK HOLDING GROUP, a California general partnership (the "Partnership"), FRANK D. HINTZE, RICHARD M. BARKLEY, A. CARL KOTCHIAN and HENRY P. HUFF (individually and collectively, the "Partners"), _____, a _____ (the "Buyer"), and TRW INC., an Ohio corporation ("TRW"). Benchmark, the Partnership, the Partners, the Buyer, and their respective officers, directors, shareholders, agents, representatives, attorneys, heirs, executors, administrators, successors and assigns are hereinafter collectively referred to as the "Indemnitees." Benchmark, the Partnership, the Partners and their respective officers, directors, shareholders, agents, attorneys, heirs, executors, administrators, successors and assigns are hereinafter collectively referred to as the "Releases."

RECITALS:

- A. Benchmark is engaged in the business of manufacturing printed circuit boards (the "Business") in facilities located on and in the "Real Property" (as defined below).
- B. TRW owned the Real Property and operated the Business from 1968 until December 30, 1983, at which time Benchmark purchased the Real Property and the Business from TRW.
- C. The Partners purchased all of the issued and outstanding stock of Benchmark on August 28, 1987, and the Partnership purchased the Real Property from Benchmark on December 18, 1987.
- D. Benchmark has operated the Business since December 30, 1983, the Partners have owned the stock of Benchmark since August 28, 1987, and the Partnership has owned the Real Property since December 18, 1987.
- E. The parties have cause to believe that "Hazardous Waste," as defined below, may be present in the Real Property's soil and groundwater, and that Hazardous Waste may have migrated and may migrate from the Real Property to other real property.
- F. At the direction of the Los Angeles Regional Water Quality Control Board (the "Board"), Benchmark and TRW have been engaged in certain investigatory activity with respect to the foregoing Hazardous Waste, pursuant to that certain Cooperation Agreement entered into between them on September 14, 1987 ("Cooperation Agreement").

- G. Benchmark, the Partnership, the Partners and TRW are willing to resolve their respective liabilities, if any, with respect to certain "Hazardous Waste Conditions" (as defined below) with respect to the Real Property through the payment to TRW by Benchmark, the Partners and/or the Partnership of certain proceeds from the sale of the Real Property.
- H. The Partnership is willing to sell the Real Property to the Buyer, and the Buyer is willing to purchase the same, on the condition that TRW indemnify, defend and hold the Indemnitees harmless and release the Indemnitees from, and that the buyer release the Releasees from, all liability with respect to the Hazardous Waste Conditions, all on the terms and conditions hereinafter set forth.
- I. TRW is willing to indemnify, defend and hold the Indemnitees harmless and release the Indemnitees from all liability with respect to the Hazardous Waste Conditions on the condition that the Indemnitees release TRW from all liability with respect to the Hazardous Waste Conditions except for such liability with respect to the Hazardous Waste Conditions as TRW may have pursuant to the terms and conditions hereinafter set forth.

NOW THEREFORE in consideration of their mutual promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

- 1. **Definitions.** For purposes of this Agreement, the following terms shall have the following definitions:
 - (a) "Environmental Agency" shall mean any governmental, judicial or regulatory agency, body or authority, including without limitation the Board, now or hereafter having jurisdiction with respect to the storage, use, disposal, investigation, monitoring, mitigation, clean up, transportation or remediation of Hazardous Waste.
 - (b) "Environmental Law" shall mean any federal, state or local statute, ordinance, rule, order, covenant, restriction of record, requirement or regulation now or hereafter enacted or adopted by any governmental, judicial or regulatory agency, body or authority, including without limitation any Environmental Agency, in any manner relating to the storage, use, disposal, investigation, monitoring, mitigation, clean up, transportation or remediation of volatile organic compounds and all other contaminants or hazardous, toxic or radioactive wastes, materials or substances.
 - (c) "Hazardous Waste" shall mean volatile organic compounds and all other contaminants or hazardous, toxic or radioactive wastes, materials or substances defined or identified in any applicable

Environmental Law, including, without limitation, any contaminant, waste, material or substance that (i) is defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Division 20, Chapter 6.5, Sections 25115, 25117 or 25122.7, listed pursuant to Section 25140 or identified pursuant to Section 25141 of the California Health and Safety Code (the "Code") (more commonly known as the Hazardous Waste Control Law), (ii) is defined as a "hazardous substance" under Division 20, Chapter 6.8, Section 25316 of the Code (more commonly known as the Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) is defined as a "hazardous material," "hazardous substance" or "hazardous waste" under Division 20, Chapter 6.95, Section 25501 of the Code (relating to Hazardous Materials Release Response Plans and Inventory), (iv) is defined as a "hazardous substance" under Division 20, Chapter 6.7, Section 25281 of the Code (relating to Underground Storage of Hazardous Substances), (v) substances listed as chemicals known to cause cancer or reproductive toxicity pursuant to Section 25249.8 of the Code, (vi) contains petroleum, (vii) is listed under Article 9 or is defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Division 4, Chapter 20, (viii) is designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317), (ix) is defined as a "hazardous waste" pursuant to Section 1044 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6902 et. seq. (42 U.S.C. §6903), or (x) is defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et. seq. (42 U.S.C. §9601). For purposes of this Agreement, asbestos is not considered to be a "Hazardous Waste."

- (d) "Hazardous Waste Conditions" shall mean and include any condition, situation, circumstance or set of conditions, situations or circumstances directly or indirectly arising out of, resulting from or in any manner relating to (i) the presence of Hazardous Waste in the Real Property's soil or groundwater, (ii) the presence of Hazardous Waste in the chrome sump and utility tunnel, (iii) the migration of Hazardous Waste to or from the Real Property, (iv) the transportation of Hazardous Waste from the Real Property, or (v) the existence of any regional Hazardous Waste originating in the San Gabriel Valley with respect to which TRW or any Indemnitee may be a potentially responsible party as a result, directly or indirectly, of any of the foregoing Hazardous Waste Conditions emanating from the Real Property.
- (e) "Immediate Remediation" shall mean the soil remediation contemplated by the Soil Remediation Plan and for which the

Immediate Remediation License is being granted, and the groundwater remediation the implementation of which is covered by the Continuing Remediation License.

- (f) "Real Property" shall mean that certain real property, commonly known as 200 South Turnbull Canyon Road, City of Industry, California, as more particularly described on Exhibit A attached to and by this reference incorporated herein.
- (g) "Remediation Parcel" means the 1500 square foot portion of the Real Property designated as the Remediation Parcel on Schedule 2 to Exhibit D attached hereto and by this reference incorporated herein.
- (h) "Soil Remediation Plan" shall mean that certain on-site soil remediation plan currently under preparation by Woodward-Clyde Consultants with respect to the remediation of Hazardous Waste Conditions existing in the Real Property's soil a copy of which is attached hereto as Exhibit F and by this reference incorporated herein.

2. Remediation by TRW. If required by any Environmental Law or any Environmental Agency, and subject to the limitations set forth in Section 4 below, TRW, at its sole expense, shall promptly take or cause to be taken all action necessary to investigate, monitor, mitigate, clean up or remediate the Hazardous Waste Conditions, including but not limited to removal and disposal of the Hazardous Waste in any manner contributing to the Hazardous Waste Conditions. All such action shall be taken in compliance with all applicable laws, rules, ordinances, regulations, orders and the Soil Remediation Plan; provided, however, that TRW shall have the right, to contest the applicability or validity of any such law, rule, ordinance, regulation, or order. TRW hereby agrees not to contest the applicability of any law, rule, ordinance, regulation or order to the extent it pertains to the Soil Remediation Plan. TRW shall use its best efforts to conduct the clean-up and remediation which is the subject of the Soil Remediation Plan in accordance with the terms and conditions (including all schedules and time limitations) of the Soil Remediation Plan. The Indemnitees hereby agree not to contest or seek to modify or otherwise materially interfere with the implementation of the Soil Remediation Plan.

3. Indemnification. Subject to the limitations set forth in Section 4 below, TRW shall indemnify, protect, release, defend and hold harmless the Indemnitees from and against any and all fines, suits, procedures, claims, demands, damages, liabilities, losses, costs and expenses (collectively, "Damages") (other than consequential damages ("Consequential"), except as otherwise specifically provided), arising out of, resulting from or in any manner relating to:

- (a) the Hazardous Waste Conditions;
- (b) TRW's failure to provide any information, to make any submissions, to take any action or to cease any activity relating to any Hazardous Waste or to any Hazardous Waste Condition required by any applicable Environmental Law or any Environmental Agency;
- (c) TRW's gross negligence or willful misconduct in connection with any investigatory, monitoring, mitigation, clean up, transportation, remedial or disposal activity undertaken by or on behalf of TRW arising out of, Hazardous Waste Condition; and
- (d) all liens, including but not limited to mechanic's or materialman's liens, and the discharge thereof, arising out of, resulting from or in any manner relating to any Hazardous Waste Condition or the performance by TRW of its obligations hereunder, except for the current mechanics lien filed by Woodward Clyde Consultants on the Real Property.

Without limitation on the foregoing, TRW shall indemnify, protect, release, defend and hold harmless the Indemnitees from and against any and all fees and costs of attorneys, engineers and other experts or consultants selected by any Indemnitee and approved by TRW, which approval shall not be unreasonably withheld or delayed, as a result of the Hazardous Waste Conditions upon the breach by TRW of its obligations under this Agreement. Notwithstanding the foregoing, TRW is not obligated to indemnify any Indemnitee or their agent for Damages to the extent such Damages are caused by the negligence, including, without limitation, the active negligence, of such Indemnitee occurring after the date of this Agreement.

- 4. Limitations. Notwithstanding the provisions of Sections 2 and 3 above, TRW's obligations under this Agreement shall apply only to Hazardous Waste Conditions that are attributable directly or indirectly, to conditions arising prior to the date of this Agreement.
- 5. TRW's Right to Negotiate and Fulfill Obligations. To the extent permitted by applicable Environmental Laws and subject to the terms of this Agreement, TRW shall have the sole and exclusive right to negotiate with and to fulfill any obligation or requirement imposed by any Environmental Law or governmental or regulatory agency, body or authority, including without limitation any Environmental Agency, having jurisdiction arising out of, resulting from or in any manner relating to the Hazardous Waste Conditions; provided, however, that TRW, upon request by any Indemnitee, shall promptly provide the Indemnitees with copies of all correspondence, filings, reports, and other data and material relating to any investigatory, monitoring, mitigation, clean up, transportation, remedial or disposal activities proposed or conducted with respect

thereto, including, without limitation, minutes of all meetings between TRW and Environmental Agencies, and memoranda of all oral communications between TRW and any Environmental Agencies. For purposes of this Agreement, all such correspondence, filing, reports, other data and material, minutes, memoranda and communications shall be collectively referred to as "Writings." If Buyer becomes aware that any Writing delivered to it by or on behalf of TRW is not accurate and complete in all material respects, thereafter Buyer shall have the right to attend all negotiations between TRW and any Environmental Agency with respect to the Hazardous Waste Conditions, and, subject to TRW's right as provided herein to control such matters, the Indemnitees may have one or more attorneys, engineers or other experts or consultants, review any such correspondence, filings, reports, data or other material, and observe the conduct of any such investigatory, monitoring, mitigation, clean up, transportation, remedial or disposal activity at Indemnitees' expense. Each Indemnitee agrees not to become involved in the foregoing negotiations or in the fulfillment of the foregoing obligations, and shall not independently contact any such agency, body or authority for the purpose of seeking to have modified any obligation of TRW relating to the Hazardous Waste Conditions, nor shall any Indemnitee otherwise seek to interfere with TRW in such negotiations or any fulfillment of such obligations unless (a) otherwise required by applicable laws, (b) otherwise specifically provided herein, or (c) the applicable Indemnitee reimburses TRW for increased costs actually incurred by TRW which are caused by such Indemnitee's involvement. If such Indemnitee fails to reimburse TRW as required by the preceding sentence within 30 days after TRW gives such Indemnitee written notice of the increased costs actually incurred by TRW (together with such reasonable evidence of such costs as such Indemnitee may request), TRW's indemnification obligations regarding such Indemnitee shall cease until such time as such Indemnitee has reimbursed such costs to TRW together with interest at the maximum rate permitted under applicable law from the date which is 30 days after such notice. Buyer hereby requests that TRW promptly provide it with copies of all correspondence, filings, reports and other data and material relating to any investigatory, monitoring, mitigation, clean-up, transportation, remedial or disposal activities proposed or conducted with respect to obligations or requirements imposed by any Environmental Law or governmental or regulatory agency, body or authority, including without limitation, any Environmental Agency, having jurisdiction arising out of, resulting from or in any manner relating to the Hazardous Waste Conditions, whether such materials have been generated prior to or are generated after this Agreement becomes effective. The clean-up levels to which TRW agrees shall not allow concentrations of Hazardous Waste to remain on or under the Real Property in excess of action levels imposed under applicable Environmental Laws and by Environmental Agencies nor which require any deed restriction which will make the use of the Real Property as an industrial park impractical.

6. **TRW's Obligation to Defend.** If any action or proceeding is brought against any Indemnitee arising out of, resulting from or in any manner relating to any Hazardous Waste Condition or the obligations of TRW hereunder, TRW shall defend the same upon demand by such Indemnitee at TRW's sole expense with counsel approved by Buyer in writing, which approval shall not be unreasonably withheld or delayed (it being understood that TRW will be obligated hereunder to pay for no more than one counsel to represent all parties to any such action); provided, however, that TRW, upon request by any indemnitee, shall promptly provide the Indemnitee with copies of all correspondence, filings, reports, pleadings and other data and material relating to such action or proceeding (collectively, "Action Materials") and each Indemnitee shall at all times have the right, subject to TRW's rights to control described in the next sentence, to retain legal counsel satisfactory to such Indemnitee in connection with such defense, at such Indemnitee's expense, to review such Action Materials, observe the conduct of any hearings, proceedings, depositions or actions and make suggestions to counsel retained by TRW for purposes of fulfilling its obligations hereunder. So long as TRW is not in breach of its obligations under this Agreement, TRW shall have exclusive control over the manner and means of performing its obligations under this Section 6; provided, however, that TRW shall not have the right to agree to any settlement which could materially adversely affect the Real Property or Buyer without Buyer's prior written consent, which shall not be unreasonably withheld or delayed.
7. **TRW's Failure to Perform.** If TRW fails to perform any of its obligations under this Agreement, the Indemnitees shall have the right to undertake such performance. TRW shall pay the costs and expenses thereof upon demand by the Indemnitees if it is determined, pursuant to Section 8, that TRW has failed to use its reasonable best efforts to perform such obligation. In the event of any conflict or disagreement among the Indemnitees as to (i) whether or not TRW has failed to perform any of its obligations under this Agreement, (ii) whether or not the Indemnitees have the right to undertake performance of any such obligation of TRW under this Agreement, or (iii) the manner in which the Indemnitees will undertake performance of any such obligation of TRW under this Agreement, the determination of the Buyer shall prevail; provided the Buyer shall not proceed in accordance with its determination until after it has delivered written notice of its determination to all other Indemnitees and TRW in accordance with Section 17 below.
8. **Dispute Resolution.** The parties shall submit any question arising out of this Agreement or related to the terms and provisions of this Agreement (but not questions related to the Agreement of Purchase and Sale and Joint Escrow Instructions dated November 7, 1989, between the Partnership and Buyer's successor-in-interest, as amended, which shall be hereinafter referred to as the "Purchase Agreement") which they

otherwise are unable to resolve among themselves to binding arbitration in accordance with the provisions of Section 8(a) below.

- (a) **Binding Arbitration.** All arbitrations pursuant to this Section 8(a) shall be governed by the Commercial Arbitration Rules of the American Arbitration Association then in effect (except as herein specifically stated), and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties hereby submit to the in personum jurisdiction of the Superior Court of the State of California for purposes of confirming any such award and entering judgment thereon. In the event of any arbitration hereunder, the parties shall endeavor, in good faith, to appoint a mutually acceptable arbitrator within five (5) days after receipt by the non-initiating party from the party initiating the arbitration of a notice of intent to arbitrate to the other parties (the "Appointment Period"). In the event of the death or incapacity of any arbitrator, he or she shall be replaced within five (5) days after notice of such death or incapacity in the manner in which he or she was originally selected. The parties agree that notwithstanding anything to the contrary contained in the Commercial Arbitration Rules of the American Arbitration Association then in effect, the following rules shall apply: (1) any hearings, unless otherwise mutually agreed in writing by the parties, shall occur in the City of Los Angeles; (2) the arbitrator shall be compensated at a rate to be determined by the parties or, if they cannot agree, by the American Arbitration Association; (3) in any arbitration proceedings hereunder, (a) all testimony of witnesses shall be taken under oath; (b) unless otherwise agreed by the parties, all arbitration hearings shall be transcribed by a reporter; (c) the rules of evidence set forth under the Evidence code of California and judicial interpretations thereunder shall be strictly followed; (d) it is specifically contemplated and agreed by the parties hereto that the provisions of the Code of Civil Procedure of the State of California with respect to discovery, as presently in force, shall be incorporated herein; (e) for any claim submitted to arbitration, the burden of proof shall be as it would be if the claim were litigated in a judicial proceeding; (f) upon the conclusion of any arbitration proceedings, the arbitrator shall render findings of facts and conclusions of law in a written decision reached by him and shall deliver such document to each party along with a signed copy of the award in accordance with Section 1283.6 of the Code of Civil Procedure of the State of California; (g) during the course of the proceedings, each of TRW and the Indemnitees shall pay one-half (1/2) of the costs of the proceedings including the fees of the arbitrator. At the conclusion of the proceeding, the prevailing party or parties shall be entitled to recover all costs from the losing party or parties incurred in preparation for and as a result of the arbitration, including without limitation filing fees, attorneys' fees, the compensation to be paid

to the arbitrator, and the costs of transcripts; (h) the arbitrator shall not have the power to alter, amend or otherwise affect the terms of the arbitration provisions set forth in this Section 8(a). The parties hereto understand and agree that in the event of a breach by any party to the Agreement, except as otherwise limited by applicable law, any and all remedies available to the aggrieved party or parties shall be obtainable through arbitration. The decision of the arbitrator shall be final and binding, may be confirmed and entered by any court of competent jurisdiction at the request of any party and may not be appealed to any court of competent jurisdiction or otherwise, except upon a claim of fraud, or on the basis of a mistake as to the applicable law. The arbitrator shall retain jurisdiction over any dispute until his award has been implemented, and judgment on any such award may be entered in any court having appropriate jurisdiction and may be enforced against the parties. Any remedy not available through arbitration may be sought through other available means, either with or without concurrently seeking arbitration. If the parties are unable to agree on a mutually acceptable arbitrator by the end of the Appointment Period, the parties shall proceed in accordance with Section 8(b).

(b) Reference. Any action or proceeding brought by or on behalf of a party arising out of this Agreement or in any way related to the terms and provisions of this Agreement which is not resolved in accordance with Section 8(a) shall be brought and maintained in the Superior Court of the State of California for the County of Los Angeles, and each party to this Agreement hereby recites, consents and agrees that said Court shall have personal jurisdiction over each party in any such action or proceeding and that said Court is a convenient forum for the litigation of any such action or proceeding. Each party hereby recites, consents and agrees that any controversy arising out of this Agreement which is not resolved pursuant to Section 8(a) because the parties have not agreed on an arbitrator by the end of the Appointment Period, shall be heard by a reference under Section 638, et. seq. of the California Code of Civil Procedure (or such successor statute thereto as may hereafter be enacted) and that a reference shall be ordered by said Court to any retired judge of said Court, promptly upon commencement of such action or proceeding, by agreement of the parties or (failing such agreement) upon motion brought by any party hereto, to try any or all of the issues in any such action or proceeding, whether of fact or of law, and to report a settlement or decision thereon.

(i) The reference hereunder shall be made to one person in the following manner: the party commencing the action or proceeding shall deliver to the other party or parties a list of five (5) qualified and available retired Los Angeles County

Superior Court judges. The party receiving the list shall have thirty (30) days from delivery of such list within which to select one (1) judge from the list who shall try the matter, or, if such party objects to all of the judges specified on such list, then the Court for the County of Los Angeles shall order a reference to any other retired judge of said Court. All provision of the California Codes of Civil Procedure and Evidence, including the right to have an authorized clerk and certified court reporter in attendance, shall apply in such action or proceeding. The judgment rendered in any such proceeding shall have the same force and effect and shall entitle all parties to the same rights (including appeals) as if the action had been tried by the court.

- (ii) It is agreed that if, at any time, a dispute shall arise as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest," and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said party to institute suit for the recovery of such sum, and if it shall be adjudged by a court of competent jurisdiction that there was no legal obligation on the part of said party to pay such sum or any part thereof, said party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Agreement; if, at any time, a dispute shall arise between the parties hereto as to any work to be performed by either of them under the provisions hereof, the party against whom the obligation to perform the work is asserted may perform such work and pay the costs thereof "under protest," the performance of such work shall in no event be regarded as a voluntary performance and shall survive the right on the part of said party to institute suit for the recovery of the costs of such work, and if it shall be adjudged by a court of competent jurisdiction that there was no legal obligation on the part of said party to perform such work or any part thereof, said party shall be entitled to recover the costs of such work or the cost of so much thereof as said party was not legally required to perform under the provisions of this Agreement, plus interest at the maximum rate permitted by law (but not to exceed three percent (3%) over the then current prime rate as published in the Wall Street Journal), from the date such costs were incurred until same are paid. No payment or performance shall be considered to be under protest unless at the time of payment or performance the protesting party advises the other by notice that such payment or performance is under protest.

- (iii) Until a final determination, which is no longer capable of being appealed, has been rendered, each party shall pay its obligation to the other pursuant to this Agreement.
- (iv) Should either party to this Agreement commence any legal action or proceeding against the other based on this Agreement, the prevailing party shall be entitled to an award of attorneys' fees and such other costs as the reference judge deems proper.

9. Cooperation and License. Buyer hereby agrees to cooperate with TRW in the performance of its obligations hereunder.

- (a) Remediation Other Than Immediate Remediation. At such times as TRW requires access to the Real Property to perform its obligations hereunder other than the Immediate Remediation, TRW will present to Buyer an Authorization and Indemnity Agreement in the form attached hereto as Exhibit C, with Schedules 1, 3 and 4 thereto completed by TRW with the information required to be set forth thereon. Buyer shall execute such Authorization and Indemnity Agreement and Buyer shall complete Schedule 5 of the Other Remediation License with the conditions Buyer imposes on TRW's performance of its obligations for which TRW requires such access; provided that if such conditions effectively prevent TRW's performance of the obligations for which TRW requires such access, TRW shall be excused from performing the particular obligations for which TRW requires such access at that time. TRW will perform such obligations in such manner as not unreasonably to interfere with the operation of Real Property, and TRW shall indemnify Buyer for all Damages incurred by or asserted against Buyer which arise out of TRW's gross negligence or willful misconduct in connection with such obligations or access to the Real Property.
- (b) Continuing Remediation License. Buyer hereby agrees to grant a license to TRW for the purpose of access to, installation of, maintenance of, testing with respect to, and removal of monitoring wells, pipelines, a treatment plant and appurtenant equipment on the Remediation Parcel and those certain strips of the Real Property depicted on Schedule 2 to Exhibit D attached hereto (the "Continuing Remediation License") on the terms set forth in Exhibit D (until such time as all of such wells, pipelines, treatment plant and appurtenant equipment are removed).
- (c) Immediate Remediation License. Buyer hereby agrees to grant a license to TRW for TRW's performance of the "Demolition" (as defined in Section 27 below) and implementation of the Soil

Remediation Plan in the form attached hereto as Exhibit E ("Immediate Remediation License").

- (d) Liquidation Damages. TRW will not be responsible for Consequential (including but not limited to damages for loss of use) incurred by Buyer due to the restrictions on the use of the portions of the Real Property over which the Continuing Remediation License is granted during the term of the Remediation License and of the Real Property during the term of the Immediate Remediation License.

10. Release. TRW hereby releases, relinquishes and waives any and all claims, known and unknown, which TRW, or any person claiming through TRW, may now or in the future have against the Indemnitees, or any one or more of them except pursuant to the last sentence of Section 3 or Section 4 above; the Buyer hereby releases, relinquishes and waives any and all claims, known and unknown, which the Buyer or any person claiming through the Buyer may now or in the future have against the Releasees, or any one or more of them with respect to the Hazardous Waste Conditions (other than those relating to or arising out of the Purchase Agreement); the Indemnitees hereby release, relinquish and waive any and all claims, known and unknown, which Indemnitees, or any of them or any person claiming through any of them, may now or in the future have against TRW (other than pursuant to this Agreement) with respect to the Hazardous Waste Conditions, including without limitation any private right of action under the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. Section 9601 et. seq.), including Section 9607 thereof; and all of the Releasees hereby release, relinquish and waive any and all claims, known and unknown, which the Releasees, or any of them or any person claiming through any of them, may now or in the future have against TRW (other than pursuant to this Agreement and the Cooperation Agreement). TRW and the Indemnitees are familiar with the provisions of California Civil Code Section 1542, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

In giving the foregoing releases, TRW and each Indemnitee respectively intends to waive the protections of the foregoing statute and to release and discharge all claims which they, or any person claiming through any one or more of them, have or may have against the Indemnitees, the Releasees and TRW, as applicable, with respect to the Hazardous Waste Conditions, where so limited, even though they may not or do not know of the existence of such claims as of the date hereof. Notwithstanding any provision contained in this Section 10, in no event shall this Section 10 be deemed to constitute a release, relinquishment or waiver of any claim

of any Indemnitee against TRW arising out of or in any manner relating to any breach by TRW of its obligations under this Agreement nor any claim of TRW against any Indemnitee arising out of or in any manner relating to any breach by such Indemnitee of its obligations under this Agreement.

11. **Representation and Warranty.** TRW and each Indemnitee represents and warrants that this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, and that this Agreement does not violate any law, rule, regulation, contract or agreement to which it is a party or which is enforceable against it.
12. **Reliance.** TRW expressly acknowledges that (i) Benchmark, the Partnership, the Partners and the Buyer, in determining to effect the purchase and sale of the Real Property, and (ii) Benchmark, the partnership and the Partners in determining to resolve with TRW their respective liabilities with respect to the Hazardous Waste Conditions, have relied upon this Agreement and TRW's covenants and obligations hereunder. The Indemnitees expressly acknowledge that TRW has relied upon the covenants and obligations of the Indemnitees in determining to enter into this Agreement and to assume its indemnification obligations hereunder.
13. **No Admission of Liability or Responsibility.** By entering into and performing its obligations under this Agreement, no party hereto admits any responsibility or liability relating to the Hazardous Waste Conditions and this Agreement shall not be construed or interpreted as an admission or concession of liability by any party hereto nor shall it be admissible in evidence for any purpose except to enforce the terms of this Agreement.
14. **No Third Party Beneficiaries.** Subject to the provisions of Section 18 hereof, nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties hereto and their successors-in-interests and assignees, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision of this Agreement give any third party any right of subrogation or action over or against any party to this Agreement.
15. **California Law to Apply.** This Agreement shall be governed by the internal law of the State of California (without regard to the choice of law provisions or principles thereof), and any question arising hereunder shall be construed or determined according to such law.
16. **Attorney's Fees.** Subject to the provisions of Section 8 hereof, if any party commences an action against any other party to enforce any of the terms hereof, or because of the breach by such other party of any of the terms hereof, the losing or defaulting party shall pay to the prevailing

party such prevailing party's attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action.

17. Notices. All communications, notices and demands of any kind which any party may be required or desire to give to or serve upon any other party, shall be made in writing and delivered by personal service to such other party or sent by overnight courier, charges prepaid, or by certified or registered mail, postage prepaid, return receipt requested, to the following addresses:

To Benchmark:

c/o Benchmark Holding Group
1817 West Olive Avenue
Burbank, CA 91506

Attn: Mr. Frank D. Hintze

With a copy to:

Heller, Ehrman, White & McAuliffe
555 South Flower St., 25th Floor
Los Angeles, CA 90071

Attn: V. Joseph Stubbs, Esq.

To the Partnership:

c/o Benchmark Holding Group
1817 West Olive Avenue
Burbank, CA 91506

Attn: Mr. Frank D. Hintze

With a copy to:

Heller, Ehrman, White & McAuliffe
555 South Flower St., 25th Floor
Los Angeles, CA 90071

Attn: V. Joseph Stubbs, Esq.

To the Partners:

Frank D. Hintze
1817 West Olive Avenue
Burbank, CA 91506

Richard M. Barkley
11951 Azure Place
Los Angeles, CA 90049

A. Carl Kotchian
Vard Newport
10001 Flynn Road
Camarillo, CA 93010

Henry P. Huff
535 Arroyo Road
Hillsborough, CA 94010

With a copy to:

Heller, Ehrman, White & McAuliffe
555 South Flower St., 25th Floor
Los Angeles, CA 90071

Attn: V. Joseph Stubbs, Esq.

To the Buyer:

With a copy to:

To TRW:

TRW Inc.
1900 Richmond Road
Cleveland, OH 44124

Attn: Robert M. Walter, Esq.

Any such notice shall be presumed to have been received by the addressee (a) upon acceptance or refusal by the addressee if delivered in person, (b) twenty-four (24) hours after the same is delivered to a reputable overnight courier, charge prepaid and addressed as provided above, or (c) if delivered by registered or certified mail, five (5) days after the same is deposited in the United States mail, postage prepaid and addressed as provided above. Any party may change its address by

giving the other parties written notice of the new address as herein provided.

18. **Assignment.** TRW acknowledges that the Indemnitees have relied upon TRW's financial strength, expertise and experience in the area of Hazardous Waste and the remediation thereof and the reputation of TRW in determining to enter into this Agreement. Accordingly, TRW shall request the prior written consent of the other parties hereto for any assignment of its rights or obligations hereunder, which consent shall not be unreasonably withheld by any Indemnitee. No such assignment shall relieve TRW of any liability or obligation hereunder unless the assignee has financial capacity, expertise and reputation which is reasonably comparable to that of TRW and assumes in writing all liabilities and obligations of TRW hereunder. In the event the Indemnitees are not unanimous in their consent or withholding of consent to an assignment by TRW, Buyer's decision shall prevail. All assignees and successors-in-interest of the Indemnitees shall be considered to be additional Indemnitees hereunder, as will all subsequent owners, tenants, subtenants and occupants of the Real Property. No assignment of any interest in this Agreement by an Indemnitee shall serve to relinquish any rights or obligations of such Indemnitee under this Agreement. Upon an assignment of this Agreement by Buyer or any Indemnitee (or any assignee or successor-in-interest of Buyer or any Indemnitee) of its rights and obligations hereunder, Buyer or such Indemnitee shall deliver to TRW a written assignment and assumption of the obligations hereunder executed by such assignee. Buyer (or an assignee or successor-in-interest of Buyer) shall not assign any of its obligations hereunder except in connection with the acquisition or financing of the Real Property or a portion thereof by the person or entity to whom the obligations are being assigned.
19. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single agreement.
20. **Captions.** The captions herein contained are used only as a matter of convenience and are neither to be considered a part of this Agreement nor to be used in determining the intent of the parties hereto.
21. **Severability.** In the event that any provision of this Agreement or any part hereof shall finally be determined to be unenforceable or unlawful by a court of competent jurisdiction, such provision or part thereof shall be deemed to be severed from this Agreement and every other provision of this Agreement shall remain in full force and effect.
22. **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

23. **Entire Agreement.** The Agreement dated as of October 3, 1990 between TRW, Benchmark, the Partnership and the Partners, (to which this Agreement is an exhibit), this Agreement (including the Exhibits hereto), the Cooperation Agreement and the Purchase Agreement are the final expression of, and contain the entire agreement among, the parties with respect to the subject matter hereof and supersede all prior understandings with respect thereto. Such Agreements may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing.
24. **Memorandum.** Promptly upon the request of the Buyer, a memorandum of this Agreement shall be recorded in the Official Records of the County in which the Real Property is located, which memorandum shall be entitled, "Memorandum of Indemnification Agreement and Release (Covenant Running With the Land)." The memorandum shall include a legal description of the Real Property, shall recite that it is a covenant running with the land for the benefit of owners, tenants, subtenants and occupants of the Real Property and shall be duly acknowledged and executed by each of the parties hereto.
25. **Condition Precedent.** The parties hereto expressly acknowledge that this Agreement shall be of no force or effect until the later to occur of the execution of this Agreement by TRW and all Indemnitees and the approval of the Soil Remediation Plan by all applicable Environmental Agencies.
26. **Demolition of Improvements.** In order to facilitate the implementation of the Soil Remediation Plan, TRW will demolish all existing improvements on the Real Property (the "Demolition"). TRW will contract with Sovereign Construction, Inc. and West Hazmat Corp. for the Demolition ("Demolition Contractor"). Upon sale of the Real Property, the Partnership and the Partners will reimburse TRW for costs paid by TRW to the Demolition Contractor; provided, however, the Partnership and the Partners will not reimburse TRW for costs incurred (a) in the performance of any testing of the chrome sump and utility tunnel required by any Environmental Law or Environmental Agency, and (b) for demolition, transportation and disposal of the utility tunnel and the chrome sump. The Partnership and the Partners shall pay all costs of transporting concrete and asphalt from the Real Property and disposing thereof, if such is required by any Environmental Agency; provided that all related manifests shall be in the name of Benchmark, or, if it is not possible to use the Benchmark name, TRW. The Demolition shall be "Complete" when TRW delivers to the Partnership and the Partners unconditional lien releases from the Demolition Contractor and all subcontractors and other third parties involved in the Demolition and evidence reasonably satisfactory to the Partnership and the Partners that the Demolition has been performed and completed in accordance with all applicable laws, ordinances, rules, requirements, resolutions, policy statements and regulations of any

governmental or quasi-governmental bodies or agencies having jurisdiction over the Real Property ("Governmental Regulations"). TRW shall diligently prosecute the Demolition in accordance with all applicable Governmental Regulations. All contracts to be entered into in connection with the Demolition and the identities of all parties thereto other than TRW shall be subject to the Partnership's and Partners' prior written approval, which shall not be unreasonably withheld or delayed. TRW shall pay when due all claims for labor or materials furnished or alleged to have been furnished in connection with the Demolition, which claims are or may be secured by mechanic's or materialmen's liens against the Real Property or any interest therein. TRW shall, contest the validity of any such lien, claim or demand at the request of the Partnership and the Partners and defend itself and the Partnership and the Partners against the same at the expense of the Partnership and the Partners. If such defense is conducted at the expense of the Partnership and the Partners, the Partnership and the Partners shall appoint counsel and shall have exclusive control over the conduct of such defense without interference from TRW, and TRW shall cooperate with the Partnership and the Partners in the conduct of such defense.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

BENCHMARK TECHNOLOGY INC., a
California corporation

_____ a _____ partnership

By: _____
Its: _____

By: _____
Its: _____

"Benchmark"

the "Buyer"

BENCHMARK HOLDING GROUP, a
California general partnership

TRW INC.,
an Ohio corporation

By: _____
Its: General Partner

By:  _____
Its: Assistant Secretary

the "Partnership"

"TRW"

FRANK D. HINTZE

RICHARD M. BARKLEY

A. CARL KOTCHIAN

HENRY P. HUFF

the "Partners"

LEGAL DESCRIPTION

THAT CERTAIN IMPROVED REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1:

THE NORTHEASTERLY 400 FEET OF LOTS 5 AND 6 IN BLOCK 1 OF TRACT NO. 1343, IN THE CITY OF INDUSTRY, AS PER MAP RECORDED IN BOOK 20 PAGES 10 AND 11 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL AND MINERAL RIGHTS OF SAID LAND WITH THE RIGHT TO ENTER THEREON FOR THE PURPOSE OF EXTRACTING THE SAME, AS RESERVED BY CROSS LAND COMPANY, BY DEED RECORDED IN BOOK 6772 PAGE 151 OF DEEDS.

THE RIGHT OF SURFACE ENTRY ON OR TO A DEPTH OF 500 FEET BELOW THE NATURAL SURFACE OF SAID LAND AND ALL OIL AND MINERAL RIGHTS IN AND TO THAT PORTION OF SAID LAND LYING ABOVE A DEPTH OF 500 FEET BELOW THE NATURAL SURFACE HAS BEEN CONVEYED TO THE RECORD OWNERS OF SAID LAND BY AN AGREEMENT DATED MARCH 22, 1954 AND RECORDED APRIL 7, 1954 IN BOOK 44265 PAGE 238, OFFICIAL RECORDS.

PARCEL 2:

THE NORTHEASTERLY 400 FEET OF LOT 7 IN BLOCK 1 OF TRACT NO. 1343, IN THE CITY OF INDUSTRY, AS PER MAP RECORDED IN BOOK 20 PAGES 10 AND 11 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHEASTERLY 22.6 FEET THEREOF.

ALSO EXCEPT ALL OIL AND MINERAL RIGHTS OF SAID LAND WITH THE RIGHT TO ENTER THEREON FOR THE PURPOSE OF EXTRACTING THE SAME, AS RESERVED BY CROSS LAND COMPANY BY DEED RECORDED IN BOOK 6742 PAGE 238 OF DEEDS.

THE RIGHT OF SURFACE ENTRY ON OR TO A DEPTH OF 500 FEET BELOW THE NATURAL SURFACE OF SAID LAND AND ALL OIL AND MINERAL RIGHTS IN AND TO THAT PORTION OF SAID LAND LYING ABOVE A DEPTH OF 500 FEET BELOW THE NATURAL SURFACE HAS BEEN CONVEYED TO THE RECORD OWNERS OF SAID LAND BY AN AGREEMENT DATED MARCH 22, 1954 RECORDED APRIL 7, 1954 IN BOOK 44265 PAGE 238, OFFICIAL RECORDS.

#3

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

1851- 04940

This Settlement Agreement and Mutual Release ("Settlement Agreement") is entered into this 5TH day of JANUARY, 1990 ~~1989~~ (the "Closing Date"), by, between and among TRW Inc., Charles Miller, Thalia Miller, C.M. Miller Enterprises, Inc., and The Monadnock Company.

RECITALS

A. From approximately 1968 to 1980, Charles Miller was employed by TRW Inc. ("TRW") as a manager of TRW's Cinch-Monadnock Division at 18301 East Arenth Avenue, City of Industry, California (the "Monadnock Plant"). Under a purchase agreement dated October 23, 1980, the Monadnock Company ("Old Monadnock"), a corporation organized and existing under the laws of California and wholly owned by Charles Miller and Thalia Miller, purchased from TRW the real property and assets relating to the Monadnock Plant business. Old Monadnock continued operating the Monadnock Plant business until approximately 1987.

B. On September 30, 1987, Old Monadnock sold most of its assets and the right to use the name "Monadnock" to a corporation organized under the laws of California and known as HCH Acquisition Corp. Old Monadnock, Charles Miller and HCH Acquisition Corp. executed a document entitled "Asset Sale

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Agreement" dated September 30, 1987 in connection with the sale of the Monadnock Plant business assets ("Asset Sale Agreement"). Old Monadnock changed its name to C.M. Miller Enterprises, Inc. ("Miller Enterprises"), and continued in existence until February 29, 1988, when it dissolved and distributed its assets to Charles Miller and Thalia Miller. HCH Acquisition Corp. changed its name to The Monadnock Company ("New Monadnock"). Essentially all of the assets of the Monadnock Plant business were sold to New Monadnock, except for the real property, (the "Monadnock Property"), which consists of two parcels: one parcel includes the plant building (the "Plant Parcel"), and the other is presently undeveloped (the "Undeveloped Parcel"). Legal descriptions of both parcels are set forth in Exhibit A attached hereto. Charles Miller and Thalia Miller presently own the Plant Parcel in equal undivided shares, and are leasing the Plant Parcel to New Monadnock under a lease dated September 30, 1987 (the "Lease"). Charles Miller presently owns 100% of the Undeveloped Parcel.

C. In the fall of 1986, contamination was discovered on the Monadnock Property. The California Regional Water Quality Control Board -- Los Angeles Region was subsequently notified. (The California Regional Water Quality Control Board, together with the California Department of Health Services, the United States Environmental Protection Agency and any other governmental body which has enforcement jurisdiction over the environmental

conditions at the Monadnock Property are hereinafter referred to collectively as the "Governmental Agencies.") A cleanup and abatement order (No. 88-057, formerly 88-2, referred to herein as the "Abatement Order"), was issued to Miller Enterprises, Charles Miller and "The Monadnock Company" requiring the Abatement Order addressees to undertake certain study and remedial actions on or about the Monadnock Property. New Monadnock appealed issuance of the Abatement Order.

D. In 1988 Miller Enterprises brought various claims against TRW in the United States District Court for the Central District of California (Case No. 88-00281 Kn, the "Federal Court Case") seeking to recover past and future costs of investigating or remedying contamination at the Monadnock Property. TRW brought a counterclaim against Miller Enterprises and third party claims against Charles Miller, Thalia Miller and New Monadnock, alleging, inter alia, that Charles Miller and Miller Enterprises had contractually assumed liability for contamination of the Monadnock Property, and that Charles Miller, Thalia Miller and New Monadnock were jointly and severally liable for contamination at the Monadnock Property. New Monadnock brought a cross-claim against Miller Enterprises and Charles Miller for indemnity. The Federal District Court granted TRW's motion for summary judgment on all of Miller Enterprises' claims. Miller Enterprises disagrees with, and has moved for reconsideration of, the court's decision. TRW intends to oppose Miller Enterprises' motion for reconsideration,

and opposes Miller Enterprises' effort to introduce any new evidence in support of the motion.

E. Under the terms of the Lease and the Asset Sale Agreement, Miller Enterprises and Charles Miller agreed, inter alia, to indemnify, protect and hold New Monadnock harmless under certain conditions for certain claims arising out of operations of the Monadnock Plant prior to September 30, 1987. New Monadnock contends that its involvement in the Federal Court Case and in the Abatement Order are claims for which Miller Enterprises and Charles Miller must indemnify it.

F. On September 29, 1989, an amended cleanup and abatement order (the "Amended Order") was issued to TRW, Charles Miller, Miller Enterprises and Old Monadnock requiring these parties to perform certain investigations and remedial actions at the Monadnock Property.

G. None of the Parties to this Settlement Agreement concede liability of any kind with respect to any contamination on or about the Monadnock Property. Nevertheless, the Parties are interested in resolving the Federal Court Case in order to avoid the costs of litigation.

H. Charles Miller, Thalia Miller and Miller Enterprises wish to avoid the time and cost of conducting remedial activities at the Monadnock Property or defending against the Abatement Order

I. Charles Miller would like to sell the Undeveloped Parcel as soon as reasonably possible.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, the Parties hereto agree as follows:

Agreed Payments

1. The Parties to this Settlement Agreement hereby agree to pay all sums due one another in accordance with the terms of the Schedule of Payments attached hereto as Exhibit B.

Dismissal of the Federal Court Case

2. The Parties hereby agree to file all papers or take other actions as necessary to: (a) dismiss with prejudice all claims made by Charles Miller, Thalia Miller, Miller Enterprises and TRW against each other in the Federal Court Case; (b) dismiss with prejudice all claims by Charles Miller, Miller Enterprises and New Monadnock against each other in the Federal Court Case; and (c) dismiss with prejudice all claims by TRW against New Monadnock in the Federal Court Case except that any claims deemed to arise out of New Environmental Conditions as defined in paragraph 13 below shall be dismissed without prejudice, all in accordance with the Stipulation and Order for Dismissal of Entire Action attached hereto as Exhibit C.

Soil Remediation Project

3. A letter dated June 21, 1989 from the Regional Water Quality Control Board to Charles Miller and Miller Enterprises sets forth various requirements for a soil remediation project. Charles Miller and Thalia Miller agree to complete, or pay for the completion of, the soil remediation project in accordance with the requirements outlined in the June 21, 1989 letter and in accordance with any modified requirements that may be imposed or accepted by the Governmental Agencies prior to the Closing Date. Charles Miller will notify TRW by telephone before work on the final phase of the soil remediation project commences.

Settlement and Release of Claims

4. Charles Miller, Thalia Miller, Miller Enterprises, New Monadnock and TRW each agree to assume, pay or otherwise discharge, and not make claims against each other for, any and all fees, costs and expenses, including without limitation, fees for consultants, contractors, engineers and counsel, incurred or accrued by them prior to the Closing Date relating in any way to the Monadnock Property and all remediation bills of more than \$5,000 due on or before the Closing Date shall be paid in full by the Closing Date. No Party by this provision assumes or shall become liable for any fees, costs or expenses not incurred by such Party.

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5. Except as otherwise provided in paragraph 11 below, Miller Enterprises, Charles Miller, Thalia Miller and New Monadnock hereby release and discharge TRW and all of its officers, directors, employees, assigns and representatives from any and all claims, demands, actions and causes of action of any kind or description, whether arising out of statute, contract, tort or otherwise, in law or equity, whether known or unknown, for any costs or expenses of any kind or description (including without limitation, engineering, contracting, consulting or attorneys' fees), or any loss or damage of any kind or description (including without limitation, impairment in use or diminution in value of real or personal property), arising prior to the Closing Date, or which may hereafter be claimed to arise out of any action, inaction, event or matter occurring prior to the Closing Date. Without limiting the generality of the foregoing, Charles Miller also releases and discharges any and all claims he may now have against TRW for indemnification whether under the California Labor Code, Ohio law, TRW regulations, policies, practices or resolutions arising out of or related to the Federal Court Case.

6. Miller Enterprises, Charles Miller, Thalia Miller and New Monadnock hereby agree never to commence, aid in any way (except as required by law), or prosecute against TRW or any of its officers, directors, employees, assigns or representatives any action or other proceeding based upon any claim, cause of action, obligation or liability released and discharged as set forth in paragraph 5 above.

7. Except as otherwise provided in paragraph 11 below and except as to New Environmental Conditions defined in paragraph 13 below, TRW hereby releases and discharges Miller Enterprises, Charles Miller, Thalia Miller and New Monadnock, and each of their officers, directors, employees, assigns and representatives from any and all claims, demands, actions and causes of action of any kind or description, whether arising out of statute, contract, tort or otherwise, in law or equity, whether known or unknown, for any costs or expenses of any kind or description (including without limitation, engineering, contracting, consulting or attorneys' fees), or any loss or damage of any kind or description (including without limitation impairment in use or diminution in value of real or personal property), arising prior to the Closing Date, or which may hereafter be claimed to arise out of any action, inaction, event or matter occurring prior to the Closing Date.

8. TRW hereby agrees never to commence, aid in any way (except as required by law), or prosecute against Miller Enterprises, Charles Miller, Thalia Miller or New Monadnock, or any of them, or any of their officers, directors, employees, assigns or representatives, any action or other proceeding based upon any claim, cause of action, obligation or liability released and discharged as set forth in paragraph 7 above.

9. Except as otherwise provided in paragraph 11 below, New Monadnock hereby releases and discharges Miller Enterprises,

Charles Miller, Thalia Miller and TRW and all of their officers, directors and employees, assigns and representatives, from any and all claims, demands, actions and causes of action, which New Monadnock has or may have against any of them arising out of:

(i) the naming of New Monadnock in the Abatement Order; (ii) involvement of New Monadnock in the Federal Court Case; or (iii) removal or disposal of wastes prior to the Closing Date. Without limiting the generality of the foregoing, this release shall extend to any claim by New Monadnock for reimbursement of attorneys' fees or any other expenses incurred in connection with the Abatement Order or Federal Court Case and to all claims asserted in the letter dated June 14, 1989, from Richard M. Ross to Douglas W. Beck (attached hereto as Exhibit D). This release shall not extend to any other obligation of Miller Enterprises, Charles Miller or Thalia Miller under the Asset Sale Agreement or the Lease.

10. New Monadnock hereby agrees never to commence, aid in any way (except as required by law), or prosecute against Miller Enterprises, Charles Miller, Thalia Miller or TRW or any of their officers, directors or employees, assigns or representatives, any action or other proceeding based upon any claim, cause of action, or liability released and discharged as set forth in paragraph 9 above.

11. The releases and covenants not to sue set forth in paragraphs 4 through 10 above do not apply to any rights or

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obligations arising out of this Settlement Agreement, and all such rights and obligations shall survive the execution of this Settlement Agreement. In addition, these releases do not affect any stock options that have been or may be granted to Charles Miller by TRW.

12. The Provisions of this Settlement Agreement are not intended to and shall not be construed to impair, enlarge or modify the terms of the Lease. Miller Enterprises, Charles Miller, Thalia Miller and New Monadnock reserve and do not waive any and all rights they may have under the Lease. Miller Enterprises, Charles Miller, Thalia Miller and New Monadnock do not, by entering into this Settlement Agreement, agree to release any other party from any obligation arising under the Lease, except insofar as the claims dismissed or released in paragraphs 2, 4 and 9 above may be deemed to arise under the Lease. To the extent that any provision in this Settlement Agreement is inconsistent with and cannot be reconciled with the terms of the Lease, the terms of the Lease shall govern.

Indemnities for Environmental Conditions

13. The Parties acknowledge that certain environmental conditions exist on and around the Monadnock Property. These conditions (including all conditions described or referred to in documents in the Regional Water Quality Control Board's file relating to the Abatement Order and Amended Order) and all other

conditions which may in any way result from operations of Charles Miller or Thalia Miller, Miller Enterprises, TRW or its predecessors on and around the Monadnock Property, prior to the Closing Date, any future spreading of existing contamination, and any conditions caused by the operations of TRW or its agents after the Closing Date, shall be referred to as "Pre-existing Environmental Conditions". Environmental conditions resulting from operations of New Monadnock at any time, or of anyone other than TRW or its agents on or around the Monadnock Property on or after the Closing Date shall be referred to as "New Environmental Conditions," except that any conditions at the Monadnock Property resulting from any action taken by Charles Miller after the Closing Date in completion of the soil remediation project described in paragraph 3 above in accordance with Governmental Agencies' regulations will be included in Pre-existing Environmental Conditions.

* 14. Subject to the conditions and limitations set forth in this paragraph and paragraphs 17, 18 and 19 hereof, after the Closing Date TRW shall protect, defend, indemnify and hold harmless Charles Miller, Thalia Miller, Miller Enterprises, New Monadnock and their officers, directors, employees, representatives, successors and assigns from and against any and all claims, costs, losses, damages or liabilities including, without limitation, reasonable attorneys' fees, arising from or relating to Pre-existing Environmental Conditions, including without limitation any claims, costs, losses, damages or liabilities arising from or relating to the Abatement Order and

Amended Order. TRW's indemnity obligations shall not extend to: (a) New Environmental Conditions; or (b) claims of present or former employees at the Monadnock Plant relating to exposure to hazardous substances in the workplace. Without limiting the generality of the foregoing, TRW's obligation extends to claims by New Monadnock against Miller Enterprises, Charles Miller and/or Thalia Miller for indemnity arising from or relating to Pre-existing Environmental Conditions, except that this obligation does not extend to any costs or expenses incurred by any party to this Settlement Agreement prior to the Closing Date,

15 Charles Miller, Thalia Miller and Miller Enterprises shall have the right to assign their rights under paragraph 14 above to such persons as they may designate, including but not limited to any buyer of the Undeveloped Parcel or the Plant Parcel or any lessee of either Parcel subject to the consent of TRW, which consent will not be unreasonably withheld following receipt by TRW of reasonably complete information on the financial resources of, and intended use of the Monadnock Property by, the proposed assignee. Such assignment will be on the terms set forth in the "Assignment Agreement" attached hereto as Exhibit E. TRW hereby agrees promptly to execute an Assignment Agreement in favor of any such assignee in the form attached hereto upon request of Charles Miller. Such assignment shall not diminish the rights or obligations of Charles Miller or Thalia Miller under this Settlement Agreement.

16. Subject to the limitations set forth in paragraph 4

above and the conditions and limitations set forth in paragraph 17 below, after the Closing Date Charles Miller, Thalia Miller, Miller Enterprises, New Monadnock and any assignee designated pursuant to paragraph 15 above shall each protect, defend, indemnify and hold harmless TRW, its officers, directors, employees, successors and assigns from and against any and all claims, costs, losses, damages or liabilities, including without limitation reasonable attorneys' fees, which may be sustained, suffered or incurred by TRW as the result of any action or inaction of such party and which arise from or relate to New Environmental Conditions, except that New Monadnock shall not be responsible for payment of attorneys' fees incurred by TRW in responding to any future Governmental Agency enforcement action in connection with New Environmental Conditions alleged to result from any action or inaction of New Monadnock, provided New Monadnock defends against or complies with such enforcement action. Nothing in this Settlement Agreement shall alter or release any obligation of New Monadnock under the Asset Sale Agreement and/or the Lease to indemnify Charles Miller, Thalia Miller or Miller Enterprises.

17. If any action, suit, proceeding or investigation shall be commenced or any administrative order shall be issued, or any claim shall be asserted, or any loss shall be incurred, in respect of which any Party (the "Indemnitee") proposes to demand indemnification under this Settlement Agreement (not including the Abatement Order and Amended Order, notice of which are deemed given by this Settlement Agreement), the Party from which

indemnification is sought (the "Indemnitor") shall be notified in writing to that effect with reasonable promptness and shall have the right to assume the entire control of Indemnitee's defense (including the selection of counsel). Indemnitee shall assign to Indemnitor all applicable rights under any insurance policy or policies arguably providing coverage for the claim for which indemnity is demanded. Any party accepting such an assignment of rights agrees to indemnify the assigning party for any additional costs, expenses, claims or liabilities resulting from such assignment. Indemnity obligations under this Settlement Agreement shall be conditioned upon the Indemnitee cooperating fully in all respects with the Indemnitor in any defense, compromise or settlement, by making available all pertinent information and personnel under its control to the Indemnitor, by providing reasonable access to the Monadnock Property, and otherwise by complying with any provision of this Settlement Agreement materially affecting the performance of such indemnity obligations.

18. Without limiting the scope of the indemnity provisions and subject to the other provisions of this Settlement Agreement, TRW shall, at its expense, undertake any and all studies and remedial activities required by the Governmental Agencies in connection with Pre-existing Environmental Conditions. Charles Miller, Thalia Miller, Miller Enterprises, New Monadnock and any assignee designated pursuant to paragraph 15 above shall fully cooperate with TRW, its contractors and agents in the conduct of any study or remedial activities undertaken by TRW at or around the Monadnock Property. Subject to the

provisions of paragraph 19, cooperation shall include, but not be limited to, allowing TRW or its agents to enter the Monadnock Property at all reasonable times upon 48 hours notice to Charles Miller and New Monadnock, providing access to relevant records and employees and allowing drilling of wells, excavation of soils, and any other actions necessary to conduct required studies or remedial activities.

19. Nothing in this paragraph 19 is intended to impair, enlarge or modify the terms of the Lease. New Monadnock reserves and does not waive any and all rights it may have under the Lease, including without limitation paragraphs 5.05 and 5.06 thereof. In conducting any study or remedial activity on or about the Monadnock Property, TRW shall, subject to the limitations and requirements set forth in this paragraph, seek to minimize interference with use of or operations at the Monadnock Property. In particular, in conducting any study or remedial activity along the westerly portion of the Undeveloped Parcel, unless otherwise required by the Governmental Agencies TRW shall either conduct such activities to the west of the existing driveway on the westerly side of the Undeveloped Parcel and obtain access to sites from the Fullerton Road right-of-way or, if access across the existing driveway is to be impaired long enough to materially affect activities at the Monadnock Plant, provide at its own expense alternate driveway access reasonably equivalent to the existing driveway. *access provided by City, not in Hollis Pl*

(a) Until the total expense incurred by TRW (or accrued

by TRW pursuant to contracts other than this Settlement Agreement) for studies and/or remedial activities conducted pursuant to this Settlement Agreement equals or exceeds \$1 million, TRW shall not unreasonably interfere with the business now being conducted by New Monadnock (or with substantially the same business being conducted by any successor tenant) on the Plant Parcel nor with the access points to the building located on the Plant Parcel or from the street to the Plant Parcel nor with any construction or business to be conducted on the Monadnock Property by any assignee designated pursuant to paragraph 15 above. TRW shall protect, defend, indemnify and hold Charles Miller and Thalia Miller harmless from any and all claims, costs, losses, damages or liabilities arising out of TRW's breach of this paragraph 19, subject to the limitations set forth in this paragraph.

Notwithstanding any other provision of this Settlement Agreement, until the total expense incurred by TRW (or accrued by TRW pursuant to contracts other than this Settlement Agreement) for studies and/or remedial activities conducted pursuant to this Settlement Agreement equals or exceeds \$1 million, TRW shall not be liable for any costs relating to interruption of business, loss of rent or any other consequential costs, losses, damages or liabilities suffered by Charles Miller or Thalia Miller as a result of study or remedial activities undertaken or to be undertaken by TRW at or about the Monadnock Property unless TRW unreasonably interferes with use of or operations at the Monadnock Property. In the event that TRW unreasonably interferes with use of or operations at the Monadnock Property and incurs liability to Charles Miller or Thalia Miller for consequential damages arising

out of such interference, the amount of such damages paid shall be included in calculating the total expense to TRW of studies and/or remedial activities for purposes of this paragraph, unless TRW's interference is intentionally malicious.

(b) After the total expense incurred by TRW (or accrued by TRW pursuant to contracts other than this Settlement Agreement) for studies and/or remedial activities conducted pursuant to this Settlement Agreement equals or exceeds \$1 million, TRW shall make reasonable efforts not to unreasonably interfere with the business now being conducted by New Monadnock (or with substantially the same business being conducted by any successor tenant) on the Plant Parcel nor with the access points to the building located on the Plant Parcel or from the street to the Plant Parcel nor with any construction or business to be conducted on the Monadnock Property by any assignee designated pursuant to paragraph 15 above. "Reasonable efforts" shall include discussions with Governmental Agencies, Charles Miller and representatives of New Monadnock or the owner or lessee of the affected portion of the Monadnock Property, and shall not require expenditure of significant funds to avoid interference (i.e. more than \$10,000 in the aggregate.) TRW shall protect, defend, indemnify and hold Charles Miller and Thalia Miller harmless from any and all claims, costs, losses, damages or liabilities arising out of TRW's breach of this paragraph 19, subject to the limitations set forth in this paragraph. Notwithstanding any other provision of this Settlement Agreement, after the total expense incurred by TRW (or accrued by

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TRW pursuant to contracts other than this Settlement Agreement) for studies and/or remedial actions conducted pursuant to this Settlement Agreement equals or exceeds \$1 million, TRW shall not be liable for any costs relating to interruption of business, loss of rent or any other consequential costs, losses, damages or liabilities suffered by Charles Miller or Thalia Miller as a result of study or remedial activities undertaken or to be undertaken by TRW at or about the Monadnock Property unless TRW fails to use reasonable efforts to avoid such unreasonable interference.

(c) Without limiting the scope of TRW's obligations under this Settlement Agreement, if any Party should desire to further reduce interference with use of or operations at the Monadnock Property, at any reasonable time such Party may demand that an alternate study or remedial action be substituted for that chosen by TRW, provided: (1) that such alternate study or remedial action is acceptable to and approved by the Governmental Agencies; and (2) that the Party demanding the alternate study or remedial action pay to TRW the estimated additional cost of such alternate study or remedial action in advance or upon such terms as TRW may require.

20. Except as provided in paragraph 19 above, TRW shall have exclusive control over the manner and method of conducting any studies or remedial activities relating to Pre-existing Environmental Conditions. TRW's obligations to abate Pre-existing

Environmental Conditions shall be limited by legal requirements in effect when cleanup is completed. In no event shall TRW be required to conduct or pay for any studies or cleanup beyond the legal standards imposed by applicable government requirements. TRW retains the right to challenge any requirements which may be imposed by governmental authorities, and the Parties agree to cooperate with and assign to TRW any rights any Party may have to appeal any governmental requirements, provided that TRW shall protect, defend, indemnify and hold harmless such Party from any additional costs, losses or expenses incurred in connection with any such appeal or challenge.

21. TRW shall make reasonable efforts to have Charles Miller, Miller Enterprises and Old Monadnock dropped as respondents from the Abatement Order and Amended Order, or, if that is not acceptable to the Governmental Agencies, to have TRW identified as primarily responsible under the Amended Order. If any other agency (including, without limitation, the California Department of Health Services or the U.S. Environmental Protection Agency) commences any enforcement activities in connection with Pre-existing Environmental Conditions, then TRW will consent to being joined in such enforcement actions (even if not initially named), provided that such consent can be accomplished without conceding liability. Even if TRW is not formally named in such other enforcement action, TRW's defense and indemnity obligations will remain with respect to Pre-existing Environmental Conditions. If any enforcement activity is brought with respect

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to both Pre-existing and New Environmental Conditions simultaneously, TRW will be liable only for that portion of the enforcement relating to Pre-existing Environmental Conditions.

22. If and when the Governmental Agencies have confirmed in writing that the only remedial work with respect to Pre-existing Environmental Conditions remaining to be done consists of operation and maintenance ("O & M"), then TRW may submit to owners of affected portions of the Monadnock Property an estimate of the total future costs of O & M, adjusted to present value (the "estimated O & M costs"). If the owners of affected portions of the Monadnock Property accept payment of the estimated O & M costs, such owners shall have all future responsibility for, and shall indemnify TRW with respect to such O & M. Except as to such O & M, TRW's obligations under this Settlement Agreement with respect to Pre-existing Environmental Conditions shall continue notwithstanding the Monadnock Property owners' acceptance of the estimated O & M costs. However, the Governmental Agencies' written confirmation that only O & M remains will create a rebuttable presumption that any future enforcement activity relates to New Environmental Conditions.

Dispute Resolution

23. If any of the Parties should have any dispute with any other of the Parties arising out of or relating to this Settlement Agreement or the Parties' respective rights and duties

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hereunder, then the Parties shall resolve such dispute in the following manner:

(a) Any Party may at any time deliver to any other a written dispute notice setting forth a brief description of the issue for which such notice initiates the dispute resolution mechanism contemplated by this paragraph.

(b) During the sixty (60) day period following the delivery of the notice described above, appropriate representatives of the Parties will meet and seek to resolve the disputed issue through negotiation.

(c) If representatives of the Parties are unable to resolve the disputed issue through negotiation, then within thirty (30) days after the period described in subparagraph 23(b) above, the Parties will refer the issue to a neutral person who is mutually acceptable to the Parties for final resolution. In the absence of agreement on such neutral person, the Parties shall comply with the procedures set forth in the California Code of Civil Procedure § 1281.6. The procedures to be followed with respect to the presentation of each Party's position with respect to the disputed issue and the method by which the neutral person will reach and render his or her decision will be determined at the time the matter is referred to the neutral person by the Parties or, if the Parties are unable to agree upon such procedures and methods, by the neutral person. The final decision

of the neutral person pursuant to this paragraph 23(c) will be nonappealable and uncontestable by the Parties involved and will not be subject to collateral attack by any Party involved except as provided in Chapter 4 of Title 9 of the California Code of Civil Procedure commencing with § 1285.

General Provisions

24. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. Except as otherwise expressly set forth herein, for successors and assigns, this Settlement Agreement is not intended and shall not be construed to give any rights or inure to the benefit of any person or entity other than the Parties hereto or their respective successors and assigns.

25. Each of the Parties hereto represents and warrants to the other Party that: (a) it has never assigned to anyone any of the claims, demands, actions or causes of action, or any portion thereof which it has or could assert in any matter connected with or arising out of the subject of this Settlement Agreement; (b) it has and maintains full and absolute control over the disposition and release of all of said claims, demands, actions or causes of action; and (c) it has been duly authorized to execute this Settlement Agreement.

26. The validity, construction and interpretation of this Settlement Agreement shall be governed by the laws of the State of California.

27. As to any representations waiving liability or releases from liability, each of the Parties understands and expressly waives any and all rights under Section 1542 of the California Civil Code, which states as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

28. This Settlement Agreement sets forth the full and complete agreements of the Parties hereto. This Settlement Agreement supersedes all proposals, negotiations and representations made or had prior to its execution relative to the subject matter of this Settlement Agreement, except as to the mutual rights and obligations of Miller Enterprises, Charles Miller, Thalia Miller and New Monadnock under the Asset Sale Agreement and the Lease.

29. Any notice or other communication to be given pursuant to or with respect to this Settlement Agreement shall be deemed given and received seventy-two (72) hours after the same is deposited in the United States Mail, First Class Postage Prepaid, addressed to the addressee at the respective address set forth below, or such other address as addressee may, from time to time, designate by written notice to the parties hereto:

Miller Enterprises: Charles Miller
20415 Prestina Way
Walnut, California 91789

with a copy to:

Douglas W. Beck
Tuttle & Taylor Incorporated
355 South Grand Avenue
40th Floor
Los Angeles, California 90071-3101

Thalia Miller
49-792 Coachella Drive
P. O. Box 1192
La Quinta, California 92253

with a copy to:

Douglas W. Beck
Tuttle & Taylor Incorporated
355 South Grand Avenue
40th Floor
Los Angeles, California 90071-3101

TRW Inc.:

Robert M. Walter, Senior Counsel
TRW Inc.
1900 Richmond Road
Cleveland, Ohio 44124

with a copy to:

Geoffrey K. Barnes
Squire, Sanders and Dempsey
1800 Huntington Building
Cleveland, Ohio 44115

New Monadnock:

Martin Cohen
The Monadnock Co., Inc.
18301 Arenth Avenue
Industry, California 91748

with a copy to:

Richard M. Ross
Parker, Milliken, Clark, O'Hara
& Samuelian
915 L Street, Suite 1180
Sacramento, California 95814

30. Each party hereto agrees to execute and deliver such additional documents and instruments, and to perform such additional acts, as any other party may reasonably request or as

may be necessary or appropriate to effectuate, consummate or perform all of the terms, provisions and conditions of this Settlement Agreement.

31. Each party hereto acknowledges that in making this Settlement Agreement it has made such independent investigation or analysis of the facts and law as it deems appropriate and has not relied on any representation by any other party except such representations as may be expressly set forth in writing in this agreement.

32. The parties hereto agree that there is sufficient consideration for all releases and covenants in this Settlement Agreement and they agree not to raise lack of consideration in any future dispute relating to this Settlement Agreement.

33. In the event of litigation (including arbitration pursuant to paragraph 27 hereof) arising out of or pursuant to this Settlement Agreement, the prevailing party shall be entitled to recover reasonable attorneys fees and costs.

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34. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned Parties, by their duly authorized officers, or in their individual capacities, have executed this Settlement Agreement in triplicate as of this ___ day of _____, 1989.

Witnessed by:

The Monadnock Company

Miller Enterprises, Inc.

Charles Miller

Charles Miller

Thalia Miller

TRW Inc.

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... WHEREOF, the undersigned parties, by their
duly authorized officers, or in their individual capacities, have
executed this Settlement Agreement in triplicate as of this 10th
of JANUARY, 1999.
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Witnessed by:

Debra Ann Teca

Martin Clober
The Monadnock Company

Miller Enterprises, Inc.

Charles Miller

Thalia Miller

TRW Inc.

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IN WITNESS WHEREOF, the undersigned Parties, by their
duly authorized officers, or in their individual capacities, have
executed this Settlement Agreement in triplicate as of this 4th day
of T.N., ~~1939~~.
1940.

Witnessed by:

Douglas W. Beck

Douglas W. Beck

Charles Miller

The Monadnock Company

Charles Miller
Miller Enterprises, Inc.

Charles Miller
Charles Miller

Thalia Miller
Thalia Miller

TRW Inc.

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IN WITNESS WHEREOF, the undersigned Parties, by their
duly authorized officers, or in their individual capacities, have
executed this Settlement Agreement in triplicate as of this 5th day
of JANUARY, ¹⁹⁹⁰~~1989~~.

Witnessed by:

Robert Miller
Thalia Miller

The Monadnock Company

Miller Enterprises, Inc.

Charles Miller

Thalia Miller

Ray Martin O'Boyle
TRW Inc.

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Legal Description

The split of the Monadnock Property was recorded on October 13, 1988 at 4:00 p.m., Recording Number 88-1651335.

PLANT PARCEL

Real property in the City of Industry, Los Angeles County, California, described as: Parcel 1 as per Parcel Map No. 254, recorded in Book 211, pages 46 and 47 of Maps, in the Official Records of Los Angeles County.

UNDEVELOPED PARCEL

Real Property in the City of Industry, Los Angeles County, California described as: Parcel 2 as per Parcel Map No. 254, recorded in Book 211, pages 46 and 47 of Maps, in the Official Records of Los Angeles County.

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ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT is entered into as of this _____ day of February, 1992 by and between CHARLES M. MILLER ("Assignor") and ROLLINS TRUCK LEASING CORP. ("Assignee"). Assignor and Assignee have separately agreed that Assignee shall purchase from Assignor the Undeveloped Parcel of the Monadnock Property as defined in Recital B of that certain Settlement Agreement and Mutual Release between Assignor, TRW, Inc., The Monadnock Company, Miller Enterprises, Inc. and Thalia Miller, dated January 11, 1990, attached hereto and incorporated herein by this reference (the "Settlement Agreement").

For good and adequate consideration, receipt of which is hereby acknowledged, Assignor and Assignee agree as follows:

Assignor hereby assigns to Assignee, and Assignee hereby accepts, all of Assignor's rights under paragraphs 13 through 23 of the Settlement Agreement, including without limitation Assignor's right to indemnification by TRW Inc. against all claims, costs, losses, damages or liabilities arising from or relating to Pre-existing Environmental Conditions as defined in paragraph 13 of the Settlement Agreement, subject to the conditions and limitations set forth in paragraphs 13 through 23 of the Settlement Agreement.

Assignee hereby acknowledges that the rights assigned are granted subject to limitations and conditions set forth in paragraphs 13 through 23 of the Settlement Agreement, and hereby agrees to such limitations and conditions insofar as they concern Assignee.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

ASSIGNOR:

Charles M. Miller
CHARLES M. MILLER

ASSIGNEE:

Thalia C. Miller
ROLLINS TRUCK LEASING CORP. WPK
cum
By W. Paul King
VICE-PRESIDENT

As of the date first written above, TRW Inc. hereby consents to the assignment of rights to Assignee as set forth in this Agreement.

TRW Inc.

By Neda Truitt
ATTORNEY